



For Immediate Release

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Senator Gregg Reacts to CBO Report on Long-Term Budget Outlook
Skyrocketing Health Care Costs Worsen Budget Scenario

“Today’s report from the Congressional Budget Office on the Long-Term Budget Outlook continues to underscore the fact that skyrocketing health care costs, combined with an aging population, pose a very serious challenge to the nation’s fiscal well-being.

“Despite the economic success we have enjoyed since the implementation of the Republican pro-growth tax policies of 2001 and 2003 – more than 8 million new jobs, growing economic productivity, and surging tax revenues that have put us on the path to a balanced budget – the fact remains that we face a looming storm ahead.

“The CBO report indicates that federal spending on Medicare and Medicaid has been growing faster than the economy. It is expected to jump dramatically over the next 75 years, from 4 percent of GDP to more than *all* current federal government spending. To exacerbate the problem, the first Baby Boomers have already begun to retire, a demographic shift that will double the over-65 population by 2035.

“It is unfortunate that after a year of controlling Congress, the majority party has made no effort to address the rising costs of health care, or the overall issue of entitlement spending, especially given that the retirement of the Baby Boomers is on our doorstep. It is also worrisome to see the economy beginning to slow down, as the majority is taking every opportunity to increase taxes on businesses and families, dampening the effects of the existing policies that have done so much to benefit the economy.

“The bottom line is that the longer we put off addressing this issue, the more painful it will become. I urge the Democratic-controlled Congress to take steps now, and it must be done in a bipartisan way so that both political parties are invested in the solutions. *The Bipartisan Task Force for Responsible Fiscal Action Act*, legislation I have co-authored with Senate Budget Committee Chairman Kent Conrad to address our long-term fiscal challenges in a bipartisan and expedited manner, is the right place to start. As the CBO report shows, we can’t afford to delay.”